

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4657-20
Bill No.: HCS for SS #2 for SCS for SB 1279, 1162 & 1164
Subject: Cities, Towns and Villages; Economic Development; Urban Development;
 Revenue Department.
Type: Original
Date: May 15, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue*	(\$519,035) to (Unknown)	(\$491,376) to (Unknown)	(\$503,981) to (Unknown)
African American Community Trust	\$350,000	\$350,000	\$350,000
Sports Center Redevelopment Authority School District	\$0	\$0	\$0
Technology Retention Enterprise District Joint	\$0 to \$750,000	\$0 to \$750,000	\$0 to \$750,000
Total Estimated Net Effect on <u>All</u> State Funds*	(\$169,035) to (Unknown)	(\$141,376) to (Unknown)	(\$153,981) to (Unknown)

* Partially subject to appropriation.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government **	\$0	\$0	\$0 to Unknown

** Includes transfer of sales tax revenue in Jackson County to the Metropolitan Culture District of \$1,900,000.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 16 pages.

FISCAL ANALYSIS

ASSUMPTION

***KANSAS AND MISSOURI METROPOLITAN CULTURAL DISTRICT;
 Section 67.642.***

In response to a similar version of this proposal, officials from the **City of Kansas City (CKC)** stated the fiscal impact for this bill will begin in July 2005 (FY 2006), according to Section 67.642 of this bill. CKC assumed that state funding could be as much as \$9.8 million per year. In addition, increased economic activity at Arrowhead and Kauffman stadiums will generate revenue in the form of increased earnings taxes, utility taxes and sales taxes for the City and additional income and sales taxes for the state which can be used to leverage additional economic development in and around the Sports Center Redevelopment Area.

In response to a similar version of this proposal, officials from the **Jackson County Sports Complex Authority** officials assumed this proposal would have no fiscal impact unless the Bi-State Sales Tax is extended, the leases with the teams are extended or renegotiated, and if the Legislature would appropriate up to \$9,800,000 to the Kansas and Missouri Metropolitan Cultural District for the purpose of refurbishing the Stadiums under the Authority.

Officials from the **Office of Administration - Budget and Planning (BAP)** state that this section provides funding for the Truman Sports Complex. The impact would be \$0 to \$9.8 million, general revenue, annually. The legislation does mandate an annual appropriation but does not allow any appropriation until FY 2006, or until the Kansas-Missouri Metropolitan Cultural District retail sales tax is renewed. BAP states this part also requires a \$100,000 donation by major league sports teams who sign leases in Jackson County to the African American Community Trust Fund.

ASSUMPTION (continued)

Oversight assumes the fiscal impact of this part of this proposal is beyond the scope of this fiscal note, since the state is allowed to make annual appropriations to the Kansas and Missouri Metropolitan Cultural Districts of up to \$9.8 million starting in FY 2006. Therefore, for purposes of this fiscal note, Oversight assumes this part of the proposal would have no fiscal impact in fiscal years 2003, 2004 and 2005.

SPORTS CENTER REDEVELOPMENT AUTHORITY ACT; Sections 67.2000 to 67.2060.

In response to similar legislation from this year, officials of the **Governor's Office** assumed no fiscal impact to their office.

In response to similar legislation from this year, officials of the **Department of Elementary and Secondary Education** assumed no fiscal impact to their department.

In response to similar legislation from this year, officials of the **Missouri Department of Transportation (DHT)** assumed this proposal could require DHT to incur the expense of providing modern interstate-style highways serving the new sports centers and the surrounding redevelopment areas. Officials assume this legislation would have a significant indirect, "voluntary" cost impact. If the new facilities are built away from the current St. Louis and Kansas City stadiums, then DHT may need to add highway entrance and exit ramps, additional highway bridges, etc., to serve the public stadiums. Officials assume no fiscal impact.

In response to similar legislation from this year, officials of the **Department of Revenue (DOR)** assumed that MITS would need to create a taxing district (shape file) enclosing the redevelopment areas in order to gather the sales revenues and / or sales taxes generated to be able to identify, report and track the "new state revenues". It is estimated the above program changes will require 2,768 hours of programming at a cost of \$92,340. The State Data Center cost to implement the proposal will be \$18,013. Therefore total programming costs are estimated to be \$110,353.

DOR also stated that new state revenues includes the increase of withholding tax derived from sources within the redevelopment area. Since withholding tax is reported as a single amount for all locations, if an employer within the area has employees outside the area as well, DOR will be unable to determine the increase of withholding tax. The reporting of withholding tax is in no way at all set up to gather information by business location. A complete system rewrite will be need if the legislation is passed as written. DOR assumes this cost will be substantial and is unknown.

ASSUMPTION (continued)

Officials from the **Office of Administration- Division of Budget and Planning (BAP)** state this part of the proposal provides funding for a St. Louis area sports center redevelopment project. It states, subject to appropriation, the state shall appropriate up to \$7 million per year beginning in FY 2006, assuming the adoption of a resolution/declaration in 2002. This would pay the state's share of the debt service on a sports center redevelopment plan. There would be no cost to the state until at least FY 2006. The state could incur a general revenue cost of up to \$7 million for debt service per year, for not more than 30 years. The bonds, over the 30-year period are capped at \$100 million.

BAP states this part of the proposal also requires a \$250,000 donation by major league sports teams who benefit from the proposal ballpark per year for disadvantaged youth. BAP states the provision gives naming rights profits to the stadium authority. If no naming rights are needed to reimburse the state if new state revenues are insufficient to meet debt service obligations, then excess monies would be allocated to the School Building Revolving Fund. BAP states that no explicit fiscal impact for the value of the naming rights is known.

BAP states that the St. Louis area sports center redevelopment project requires a \$150,000 contribution by major league sports teams who benefit from this section per year for the African-American Community Trust Fund.

In response to similar legislation from this year, officials of the **City of St. Louis- Division of Budget** assumed that the City would realize a positive fiscal impact, from local taxes during the construction of the \$326 million dollar stadium through 2005. Beginning in 2005, officials assume the City would be required to appropriate \$4.2 million dollars per year for 30 years through the year 2034. Officials assume these annual payments are to be offset by the incremental taxes generated by activities at the new ballpark. Based on St. Louis Cardinals projections of incremental taxes over current levels the net present value at 6% of the incremental taxes over the required appropriations through the agreement period is a positive \$26.2 million dollars.

Oversight assumes based on research conducted by the Office of Administration- Division of Budget and Planning, that the first year for state fiscal impact would be Fiscal Year 2006. Therefore, fiscal impact would be beyond the scope of this fiscal note.

Oversight assumes this proposal is enabling legislation and as written does not require any affected city or county to establish a Sports Center Redevelopment Authority.

Oversight assumes that if the affected cities would establish a Sports Center Redevelopment Authority and if the Missouri General Assembly were to elect to annually appropriate funds to provide debt

ASSUMPTION (continued)

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service for the established sports authority, the annual costs to the State's General Revenue Fund could be as much as \$7,000,000 for 30 years that would provide a net sum not to exceed \$100,000,000 in support of the sports authority plan.

In response to a previous version of this proposal, officials from **St. Louis County** stated this proposed bill has no direct fiscal impact on them because its language only permits, but does not require, participation by St. Louis County in funding a Sports Center Redevelopment Authority. However, if the negotiated Project Agreement pertaining to the State, St. Louis City, St. Louis County, and the St. Louis Cardinals is approved by the County Council, it calls for a series of payments starting at \$2 million dollars in 2003 and increasing by 3 percent compounded each year for a total of 30 years. Depending on interest rates, the present value of this stream is likely to be \$40 million to \$45 million dollars. The source of these funds is a local Hotel/Motel tax currently dedicated to convention and tourism purposes.

SAVVIS Center; Section 67.2076.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal requires, subject to appropriation, a \$3 million appropriation for maintenance and refurbishment of the Savvis Center (from Sales Tax). If no NBA team moves to St. Louis and plays at the Savvis Center, then \$1 million of the \$3 million would be placed in a fund to refurbish the Kiel Opera House. If a NBA team does come to St. Louis, the Savvis Center would be allowed to keep all sales taxes generated and no portion would go toward the Kiel Opera House. Impact could be \$3 million annually. BAP offers no additional estimate on this portion, as the NBA provision is speculative. After 2015, the annual amount to be appropriated appears to increase - impact unknown.

Oversight assumes that since "the provisions of this section shall become effective on July 1, 2005" that fiscal impact from this part of the proposal is beyond the scope of the fiscal note.

OTHER MULTIPURPOSE FACILITY; Section 67.2077.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal appears to allocate the first \$400,000 of state general revenue sales tax generated at a facility owned or operated by a not-for-profit university that competes in Division I men's basketball (presumably St. Louis University) to a fund that would be used for maintenance of such a facility. St. Louis University currently plays its home basketball games at the Savvis Center, but it does own an
ASSUMPTION (continued)

older gymnasium. Fiscal impact is unknown up to a loss of \$400,000 starting in FY 2006.

Oversight assumes that since “the provisions of this section shall become effective on July 1, 2005” that fiscal impact from this part of the proposal is beyond the scope of the fiscal note.

LOCAL ECONOMIC OPPORTUNITIES ACT; Section 67.2150.

In response to a previous version of this proposal, officials from the **Department of Economic Development (DED)** stated this part of the proposal creates a “Local Economic Opportunities Fund” that is to be administered by DED. DED assumed this would require them to hire personnel to administer and oversee the fund.

DED assumed the need for a Planner IV (at \$55,860) and a Market Development Program Coordinator (at \$47,100) to oversee the Local Economic Opportunities Funds and dispense them to each of the four economic development regions created in 67.2150 RSMo.

Officials from the **Office of Administration - Budget and Planning** state this part of the proposal would result in an unknown impact for four economic development regions from state sales and income tax revenues.

Oversight assumes this part of the proposal would result in a possible unknown loss of sales tax and income tax revenue to the General Revenue fund depending on the amount of amount of economic development project revenues collected from the Sports Complex, Exposition Center in Springfield and the Convention Center in Branson. Oversight has ranged this fiscal impact from \$0 to (Unknown) starting in FY 2005 since Oversight assumes appropriations for some of these projects will begin in FY 2005.

Oversight assumes the Department of Economic Development may require the requested FTE starting in FY 2005, since this would be the earliest that the state would receive anticipated receipts, if any, into this program. Oversight has ranged the fiscal impact from \$0 to DED’s anticipated cost of the two requested FTE.

ASSUMPTION (continued)

RS:LR:OD (12/01)

EXPOSITION CENTER IN SPRINGFIELD; Section 99.845.14.

In response to a previous version of this proposal, officials from the **City of Springfield** stated that since this bill is voluntary, it will not fiscally impact their city.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal requires an annual appropriation starting in FY 2005 for the City of Springfield to support an Exposition Center. BAP states the total project is not to exceed \$18 million (over 23 years). BAP states there does not appear to be an annual limit on the appropriation.

Oversight assumes the total appropriation for this project shall not exceed \$18,000,000 over 23 years, starting in FY 2005. Therefore, Oversight has reflected the cost of this part of the proposal as a range of \$0 (construction not completed on time) to \$800,000, which is the total \$18,000,000 divided by 23 years. Annual totals could vary substantially.

CONVENTION CENTER AND ARENA FACILITY IN BRANSON; Section 99.845.15.

In response to a previous version of this proposal, officials from the **City of Branson** assumed the proposed Convention Center and Arena Facility will be constructed in 2003 and 2004 and will generate roughly \$4.1 million in additional tax revenue in 2005, \$7.7 million in 2006 and \$8.4 million in 2007. The sources of additional tax revenue is state sales tax, county and city sales taxes, property taxes and tourism taxes. The City estimates the amount of state sales tax collected that will be utilized for debt service during this period is \$525,750 in 2005, \$1.1 million in 2006 and \$1.2 million in 2007.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal requires an appropriation of up to \$1.4 million each year (over 23 years) starting in FY 2005 to the City of Branson, not to exceed a total state commitment of \$32 million.

Oversight assumes the annual appropriation for this project shall not exceed \$1,400,000 in any fiscal year, starting in FY 2005. Therefore, Oversight has reflected the cost of this part of the proposal as a range of \$0 (construction not completed on time) to the maximum of \$1,400,000.

ASSUMPTION (continued)

RS:LR:OD (12/01)

JACKSON COUNTY RESEARCH PARK; Section 172.273.

In response to a previous version of this proposal, officials from the **University of Missouri** assumed this part of the proposal would not fiscally impact them.

Officials from the **Office of Administration - Budget and Planning** state the fiscal impact from this part of the proposal is unknown - subject to appropriation.

Oversight assumes an unknown amount of appropriation from the General Revenue Fund would be needed to establish a research, development and office park in Jackson County to foster life sciences related to business development and provide business incubator facilities for new life sciences related companies. Funding would be needed for all three fiscal years in the scope of this fiscal note for continued funding of the facilities.

HISTORIC PRESERVATION TAX CREDIT; Section 253.559.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal places an annual cap on issuance of the Historic Preservation Tax Credit to \$60 million beginning in FY 2007. This allows those that qualify for the credit but can not receive the credit due to the cap to be eligible the next fiscal year. BAP assumes the impact to be Unknown.

Oversight assumes this part of the proposal would have a fiscal impact to total state revenues, but would be beyond the scope of the fiscal note.

SPORTS CENTER REDEVELOPMENT AUTHORITY SCHOOL DISTRICT FUND; Section 1.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal redirects revenues above net new revenues created by any act in SB 1279 to the Sports Center Redevelopment Authority School District Fund. BAP assumes an unknown fiscal impact.

Oversight assumes, beginning in year 2005, zero to an unknown amount will be deposited in the "Sports Center Redevelopment Authority School District Fund." Oversight notes money in the fund shall be appropriated exclusively to school districts in each city or county in which a project pursuant to this proposal is to commence. Therefore, Oversight is showing an unknown revenue increase to

ASSUMPTION (continued)

various school districts. This section seems to contradict the Local Economic Opportunities Act in Section 67.2150.

METROPOLITAN CULTURE DISTRICT COMMISSION; Section 2.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal redirects 5% of the appropriation pursuant to 67.642 and 5% of the local sales taxes collected in Jackson County to the metropolitan cultural district community development corporation association. BAP assumes there appears to be no additional state impact from this section.

According to officials from Jackson County, sales tax collections for the county for 2001 were \$38 million. **Oversight** assumes, therefore, \$1.9 million of sales tax collected in Jackson County will be used for cultural activities and shown this as a transfer occurring at the start of the effective date of this proposal.

Oversight also assumes 5 percent of the \$9.8 million (\$490,000) allotted to the Jackson County Sports Authority will be transferred from the General Revenue fund to the metropolitan culture district commission beginning in FY 2006.

TECHNOLOGY RETENTION ENTERPRISE DISTRICT JOINT FUND; Section 3.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this part of the proposal mandates an appropriation for St. Louis Innovation Centers. BAP state the appropriation would be based on a 2 to 1 state match for city contributions. This section also sets up the Technology Retention Enterprise District Joint Fund. BAP assumes the impact to general revenue would be \$0 to \$500,000 annually.

Oversight assumes the contributions to the innovation centers will be \$250,000 from the City of St. Louis in order to receive the total state appropriation available of \$500,000.

Officials from the **Office of the State Treasurer** assume this proposal would not fiscally impact their agency.

ASSUMPTION (continued)

Officials from the **State Auditor's Office (SAU)** assume that this proposal would require annual audits related to the sports authority of the participating cities and counties. The proposal would also require annual audits of the relevant authorities and "specially designated multipurpose facility account". Increased SAU's audit responsibilities would require seven FTE and related equipment. The proposal would also require an annual certification of new state revenues of each of the authorities/facilities. SAU assumes there would be fiscal impact to their office which cannot yet be determined.

The SAU assumes they will need to begin auditing these authorities and political subdivisions as soon as this proposal becomes effective. SAU assumes the need for 4 Staff Auditor II FTE (at \$35,000), 2 Senior Auditor II FTE (at \$48,000), and 1 Manager (at \$63,000) as well as related equipment and expenses. In total, the SAU estimates the proposal to cost roughly \$500,000 per fiscal year plus the unknown expense of the annual certification of new state revenues of each of the authorities/facilities.

Oversight has reflected the fiscal impact to local governments as \$0, since all of these proposals are permissive and does not require municipalities or counties to participate in the economic stimulus projects. Oversight has also not reflected the potential positive economic impact that may occur from these projects.

This proposal could impact Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Cost</u> to Department of Revenue for Programming costs (various)	(\$110,353)	\$0	\$0
<u>Loss</u> - loss in sales tax and income tax revenue (Local Economic Opportunities Act) *	\$0	\$0	\$0 to (Unknown)
<u>Costs - DED</u>			
Personal Service (2 FTE)	\$0	\$0	\$0 to (\$110,877)
Fringe Benefits	\$0	\$0	\$0 to (\$39,927)
Expense and Equipment	<u>\$0</u>	<u>\$0</u>	<u>\$0 to (\$39,753)</u>
<u>Total Costs - DED</u> (Local Economic Opportunities Act)	\$0	\$0	\$0 to (\$190,557)

Costs - State Auditor's Office

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Personal Service (7 FTE)	(\$255,396)	(\$314,137)	(\$321,990)
Fringe Benefits	(\$91,968)	(\$113,121)	(\$115,949)
Expense and Equipment	(\$61,318)	(\$64,118)	(\$66,042)
Total Cost - State Auditor's Office	(\$408,682)	(\$491,376)	(\$503,981)
 <u>Loss</u> - of sales tax revenue to the City of Springfield for their exposition center *	 \$0	 \$0	 \$0 to (\$800,000)
 <u>Loss</u> - of sales tax revenue to the City of Branson for their convention center *	 \$0	 \$0	 \$0 to (\$1,400,000)
 <u>Costs</u> - University of Missouri research, development and office park in Jackson County *	 (<u>Unknown</u>)	 (<u>Unknown</u>)	 (<u>Unknown</u>)
 <u>Transfer Out</u> - Sports Center Redevelopment Authority School District Fund (Section 1)			
Increase in tax revenues	\$0	\$0	\$0 to (Unknown)
 <u>Transfer Out</u> - Technology Retention Enterprise District Joint Fund (Sec. 3)*	 (\$0 to \$500,000)	 (\$0 to \$500,000)	 (\$0 to \$500,000)
 ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	 <u>(\$519,035) to (UNKNOWN)</u>	 <u>(\$491,376) to (UNKNOWN)</u>	 <u>(\$503,981) to (UNKNOWN)</u>

* Subject to Appropriation

**AFRICAN AMERICAN
COMMUNITY TRUST FUND**

<u>Income</u> - from teams with leases at Truman Sports Complex	\$200,000	\$200,000	\$200,000
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<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Income</u> - from team with lease new St. Louis ballpark	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>
ESTIMATED NET EFFECT TO THE AFRICAN AMERICAN COMMUNITY TRUST FUND	<u>\$350,000</u>	<u>\$350,000</u>	<u>\$350,000</u>

**SPORTS CENTER
 REDEVELOPMENT AUTHORITY
 SCHOOL DISTRICT FUND**

<u>Transfer In</u> - (Section 1)			
Increase in tax revenues	\$0	\$0	\$0 to Unknown
<u>Transfer Out</u> - to local School Districts			
Increase in tax revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0 to(Unknown)</u>

**ESTIMATED NET EFFECT ON
 SPORTS CENTER
 REDEVELOPMENT AUTHORITY
 SCHOOL DISTRICT FUND**

\$0 \$0 \$0

**TECHNOLOGY RETENTION
 ENTERPRISE DISTRICT JOINT
 FUND**

<u>Income</u> - (Section 3)			
St. Louis City Innovation center contributions	\$0 to \$250,000	\$0 to \$250,000	\$0 to \$250,000
<u>Transfer In</u> - from General Revenue			
Innovation center contributions (x2)	<u>\$0 to \$500,000</u>	<u>\$0 to \$500,000</u>	<u>\$0 to \$500,000</u>

funded by a retail sales tax relating to the Kansas and Missouri Metropolitan Cultural District. Appropriated moneys shall only be used if the cumulative annual sales tax revenue generated exceeds the cumulative annual appropriation. No moneys shall be appropriated until the cultural district retail sales tax is renewed or extended.

ST. LOUIS CARDINALS BALLPARK AND BALLPARK VILLAGE - This proposal also creates the "The Sports Center Redevelopment Authority Act".

The maximum state appropriation for the ballpark shall not exceed \$7 million per year for a maximum of 30 years, for debt service financing that will provide a net sum not to exceed \$100 million.

SAVVIS CENTER - Allows for the first \$3 million in state sales tax revenue collected by this facility to be retained by this facility, starting in FY 2006.

OTHER MUNICIPAL SPORTS CENTER - Allows for the first \$400,000 in state sales tax revenue collected by this facility to be retained by this facility, starting in FY 2006.

LOCAL ECONOMIC OPPORTUNITIES FUND - One half of the increased state revenues from sales taxes and income taxes withheld in certain development areas less the debt service obligations will be deposited in the Local Economic Opportunities Fund. The fund is then further subdivided into four regional funds and the regions are established. Funds from the regional subaccounts may be appropriated for infrastructure improvements and economic stimulus projects. Certain political subdivisions receiving funding are excluded from appropriations from the regional subaccounts. The Department of Economic Development shall establish an application and prioritization process. Political subdivisions shall not receive more than 25% of a subaccount and may not receive appropriations for more than five consecutive years.

DESCRIPTION (continued)

SPRINGFIELD - Allows for the annual appropriation for funding of an exposition center in Springfield. Beginning in FY 2005, the state shall annually appropriate one half of the new state revenues from the redevelopment area. However, in no event shall the aggregate contribution of the state exceed \$18 million.

BRANSON - Allows for the annual appropriation for funding of a convention center and arena in Branson. Beginning in FY 2005, the state shall annually appropriate one half of the new state revenues from the redevelopment area. However, in no event shall the aggregate contribution of the state exceed

\$32 million and shall not exceed a \$1.4 million appropriation over 23 years.

JACKSON COUNTY RESEARCH PARK - The Curators of the University of Missouri are authorized to establish a research, development and office park in Jackson County to foster life sciences related business development.

HISTORIC PRESERVATION TAX CREDIT - The proposal limits the amount of Historic Structure Preservation Tax Credits issued by the Department of Economic Development to \$60 million dollars annually beginning in FY 2007.

SECTION 1 – This proposal creates the Sports Center Redevelopment Authority School District Fund in the state treasury. Monies in the fund shall be appropriated pursuant to section 163.031, RSMo, exclusively to school districts located in each city or county in which a project pursuant to this proposal is to commence. Revenue derived from the increase in the general revenue portion of all tax revenues devoted to any project commenced pursuant to this proposal, excluding any increase attributable to new state revenues, equal to the consumer price index adjustment for each year beginning in the year 2005 shall be deposited in this fund.

SECTION 2 – This proposal requires five percent of the up to nine million eight hundred thousand dollars appropriated by the general assembly pursuant to section 67.642, RSMo, and five percent of all local sales tax revenue collected in Jackson County shall be used for cultural activities that benefit youth and adults in the cultural district.

SECTION 3 – This proposal creates the Technology Retention Enterprise District Joint Fund in the state treasury. Monies in the fund shall be used exclusively by innovation centers established pursuant to section 348.271, RSMo, for planning the development of a technology retention enterprise district. Any city not within a county contributing to an innovation center shall deposit such contributions in the fund. The general assembly shall annually appropriate to the fund from the general revenue two dollars for every dollar that any city not within a county contributed in the previous fiscal year to innovation

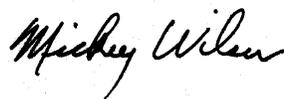
DESCRIPTION (continued)

centers. The total amount appropriated by the general assembly shall not exceed five hundred thousand dollars in each fiscal year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Revenue
Office of the Secretary of State
Office of Administration - Budget and Planning
University of Missouri
City of Kansas City
City of St. Louis
City of Branson
City of Springfield
St. Louis County
Department of Elementary and Secondary Education
Department of Transportation
Jackson County



Mickey Wilson, CPA
Acting Director
May 15, 2002